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GOLD TRADING NETWORKS AND THE CREATION OF TRUST: A CASE STUDY FROM NORTHERN BENIN

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The aim of this article is to explore the logics of proliferation of an informal gold trading network in Benin.[1] This illicit trade is carried out by actors operating outside of official legal frameworks.[2] They have established an intricate web of clientelist relationships based on dyadic bonds.[3] Exploring the micro-level structures of the trade, I will show that these networks are very heterogeneous, involving a multitude of participants and cross-cutting regional, ethnic and social categories. Unlike many other cases dominating the anthropological literature, it is not an 'ethno-trade', i.e. a business carried out by members of a single ethnic group. It exceeds the habitual boundaries of an economically confined social group.

In the second part of the paper, the conditions of the creation of trust and confidence[4] between traders[5] will be given special attention. They are, of course, a basic condition for any economic transaction, but are particularly important in this case where there is evidently no legal recourse when 'contracts' are broken. I argue that the trading networks involve risk-sharing arrangements[6] between actors of different origins and affiliations.

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[1] In this respect, my study relates to trustworthiness and brokerage in merchant networks brought forward in classical studies by Cohen (1965), Hill (1966), but also Warms (1994).

[2] When referring here to 'the state', I mean the central state as an apparatus with its governmental authorities and public service. This does not preclude that state employees as well as politicians are involved in the illegal business of gold trading as private persons, using their professional knowledge, skills and networks. For recent studies on illegal trade and smuggling in Africa see MacGaffey (1991), Nugent (2002), and Chalfin (2002). Chalfin approaches the topic of trade from the traded items that are related to different trading networks and social circles that only partly overlap.

[3] My usage of the term 'clientelism' chiefly follows that of Spittler (1977), stressing the dyadic and vertical nature of these relations.

[4] Referring to Seligman (1997), I distinguish in this paper between 'trust' and 'confidence'. 'Confidence' relates to particular persons, 'trust' to a social system, institution, general norms and roles. Unlike Seligman, I do not assume that confidence is typical for 'traditional' societies, whereas trust is typical for 'modern' societies. Both may exist in parallel in whatever society.

[5] The study exclusively addresses men. In this particular case, gold traders are exclusively male, although women may be good petty as well as wholesale traders (Adanguidi 2001; Heilbrunn 1997; Seligmann 2001), or masters in the arts of smuggling (Niger-Thomas 2001).

[6] The most important immediate risks they face are confiscation by police, betrayal by commissioners or larger traders and robberies. General risks concern the loss of clients, abrupt changes in gold prices.

The social life of gold dust

January 2000, Atakora mountains, Benin, at the *grand marché*, a small-scale mining site. After some weeks of work, Antoine[7] and his teammates are finally able to exploit the gold reefs. They chisel out the stones from the most promising parts of the shaft. After being brought to the surface, the gold ore is distributed among all team members. The shaft owner gets half of all the yield as compensation for his expenses in materials and for catering for all workers during the excavation period. Each gold digger now starts to further extract the gold dust from the ore on his own. With the help of women, they continue crushing the stones, grinding, milling and sieving them and finally washing out the gold dust. The very same day, Antoine and the others start to sell their new gold dust to mobile traders who operate directly on the mining site. Antoine approaches the petty gold trader Martin, someone whom he knows well because he owes him some money and feels obliged to sell him his yields first. He is of the opinion that Martin does not cheat him as other traders (he believes) do. Martin continues buying gold on the mining site and later on the market in Kwatena. After five days, Martin meets Inoussa, his master trader, to sell all the gold to him. After subtracting the amount of a previous loan to Martin, Inoussa allots him the remainder of approximately 5,000 FCFA [CFA francs]. It was Inoussa who in the past gave loans to Martin to start his business. In the meantime, Martin has begun to work with his own financial assets. Although prices in Lomé or Cotonou are higher than Inoussa's offer, Martin prefers to sell the gold to him because the difference is not worth the considerable costs of travelling to the wholesale merchants for. The travel costs that arise are considerable. Inoussa used to buy gold from several gold miners himself too, but now he usually buys larger amounts of gold dust from his partners Martin, Theo and Ibrahim. Inoussa in turn regularly sells his gold to wholesale traders in Cotonou.

Inoussa makes his way from Kwatena to Perma, the next main village on the national road, by foot and motor taxi. Arriving in Perma, Inoussa takes a 'seven places' taxi that shuttles up and down between Natitingou and Djougou. When asked about his business and destination, he only says that he is a carpenter who lives in the south and has just visited a relative in the mining region, so as to disguise his real activities. Later, he uses another 'seven places' Peugeot to reach Cotonou nine hours later in the early morning. In Cotonou, Inoussa first visits a friend at the big Dantokpa market who offers him some breakfast. Later he takes a *zémidjan* motorcycle taxi to visit the Lebanese trader and businessman Ali in his office close to the market of Maro-Militaire. The latter invites him to the backroom of his office, offers him tea and sweets before getting down to business. Both men first enter a small workshop in the compound where Ali tells an assistant to melt the gold dust into an ingot. Then another assistant brings an electronic scale and Ali calculates the overall quantity and makes his offer: some 55,000 FCFA (€100). Inoussa says that he initially expected more for his 10 grams. 'Prices in Europe have fallen since the last time,' answers Ali with regretful gestures. 'And your gold should be somewhat purer,' he adds. Both men then return to the armchairs. Ali tells him that in the future he intends to buy gold in Lomé rather then Cotonou because Lomé is a more promising place to trade. Both men continue chatting for some time before Inoussa

[7] Names of all persons have been changed.

leaves. The same afternoon he takes a taxi back to Natitingou and later, a *zémidjan* directly to Kwatena. He immediately visits a friend and a cousin, hands them some money and commissions them to continue buying gold. Ali adds part of the gold he bought to a larger quantity and prepares a small package for a brother travelling to Europe. The latter takes a plane from Lagos to London where he sells the gold to an Indian trader. He hands over part of the money to a relative involved in the trade in second hand cars, before flying to Lebanon, and two weeks later, back to Cotonou.

This account draws upon the narratives of an African small-scale gold trader, enriched with further details from other interviews. The itinerary of the gold dust from the mountain shafts in Benin to the jewellers shops in London, Beirut or Amsterdam is intricate and long, but nevertheless unspectacular. Outside the mining region itself, a wholesale gold trader is seldom disturbed in his business. In contrast to other officially illicit businesses, state agents in African or European towns or on the travel routes usually do not investigate too much. Unlike diamonds, the origin of gold is not of much public concern. Only the visible parts of the smuggling networks, i.e. the commissioned petty traders operating openly close to the gold fields, become subject to harassment by the authorities or confiscation. The general observation on the basis of this account hints at social heterogeneity and transnationality: many diverse actors on different levels and spaces are involved, from local to international operators.

Such illicit trading systems in the Republic of Benin structure a very important part of the country's economic life, especially trans-border smuggling (Igué and Soulé 1992).[8]

The gold business is evidently not the only 'illegal' trade, but it differs in many respects from other such business networks. It is for example not confined to one major ethnic group, and differs from trade in diamonds (De Boeck 1998; Monnier *et al.* 2000; Richards 1996; Misser and Vallée 1997; Zack-Williams 1995) and coltan (Jackson 2003); the degree of violence and militarisation is, at least in northern Benin, low.

[8] 'Informal' economic activities, prominent in many African states—in francophone countries also called '*système D*', for *débrouille* (De Villers *et al.* 2000)—are typically portrayed as out of the state's reach (see, for example, Ellis and MacGaffey 1998; for Benin, see Aplogan 1997: IV). I agree with most of the criticism of these terms because they are inclined to take on the position of the central state and to 'see like a state' (Scott 1998). These sectors are, however, shaped directly or indirectly by state policies and exist partly in relation to and with the complicity of state agents, e.g. in the case of bribery to get export–import licences and to avoid controls.

[9] The last decade saw a gold boom in many West African countries. For recent case studies on Burkina Faso see Werthmann (2000, 2001) and Yaro (1996). On the history of artisanal gold mining and trading see especially Dumett (1998), Garrard (1980) and Kiethega (1983)

SMALL-SCALE GOLD MINING IN NORTH-WESTERN BENIN[9]

In 1993, gold miners started illegally exploiting abandoned gold mines in the northern Atakora mountains,[10] south-east of the district capital Natitingou.[11] Migrants from all over the region and many foreigners came to participate in the manual extraction of alluvial and mountain gold ore. Within a short period of time the adjacent villages of Kwatena and Tchantangou grew significantly.[12] Governmental policies have shifted between repeated expulsions of the miners from the territory and tolerance of their activities.[13]

Miners engage both in reef-gold mining (the digging of gold in the mountain lodes) and pure gold-panning (extracting alluvial gold sediment on the river banks with pans and sluices). Mining in the mountains is much harder work, but the gold vein (Waama: *wura tanni*) bears the most gold. On the other hand, the river gold (Waama: *faaka ura*) or alluvium gold has a higher price because it is purer.[14]

Auriferous rock layers are cut into small stones underground. Miners work mainly in teams headed by a shaft owner who has the informal right to exploit a shaft or a certain plot of land[15] and usually acquires working equipment, rents motor pumps, feeds the workers and when needed pays medical costs during the exploration cycle. The number of workers in a team varies from six to twenty according to the size of the pit, the expected gold yield and the available manpower. Often—depending on

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[10] The gold mining region in northern Benin is situated in the Atakora Mountains (north-western Benin, south of the district capital Natitingou), along the Perma River (close to the villages of Kwatena and Tchantangou). The region is inhabited by Waaba (majority, language: Waama) and Bɛtammaribɛ (language: Ditammari), some Fulɓe herdsmen and numerous immigrants. Dendi as well as French are linguae francae spoken in this region. Their main crops are millet, sorghum, yams, rice and cotton.

[11] Geographic names are reproduced in their most common official French spelling as used on official maps. Ethnic names correspond to the terms that the respective people use themselves.

[12] Unlike other mining sites, immigrant miners live in adjacent villages and rent houses from local landlords. Very few of them own houses.

[13] At the end of 2001, a series of new expulsions took place, and the authorities continue to threaten foreign miners especially. The future of this sector, with respect to the Benin case, is still open.

[14] In short, one processing cycle (for mountain ore) comprises the extraction of gold-bearing rocks in the galleries or pits, the pounding and milling of the gold ore—mostly done by women, washing/panning to separate out the gold dust. In the case of alluvial gold this involves the extraction of gold strata, washing/panning in several refining steps by sluices and pans.

[15] Miners in northern Benin usually disregard any licensing regulations and the *Code Minier* in exploiting deposits. Generally, rights of exploitation of shafts are held by the person who discovered them and started exploitation, assuming he or she has all the necessary technical and financial means to do so. Otherwise he or she may conclude some sort of contract with a small-scale entrepreneur or patron who engages in exploitation against shares. The shaft owners (French: *patron, chef de parcelle, chef de trou*) operate as investors, and most of them at the same time as organisers, team leaders (*chef d'équipe*). In cases where the owner is not able or not willing to participate personally in running the extraction works on site, he/she may hire a miner as a trustee. Disputes between shaft owners and workers are in most cases settled in meetings of all major shaft owners working at a particular site.

the overall number of workers in the team—there is an internal hierarchy consisting of supervisors, shift-group leaders and guards. Every team divides the yields directly on the spot. Usually, the *chef d'équipe* gets half of all the ore containing gold and then his organisers and the other workers receive their shares. Everyone then has to extract the gold and in most cases they employ assistants to pound and mill the ore. Women, who are paid either cash or a certain amount of gold ore, carry out some of these activities, especially pounding, milling and sieving. They tend to demand a fixed amount of cash for their activities to reduce the uncertainty of the exact gold content.

GOLD TRADE IN THE MINING AREA: ACTORS, PRICES, TRANSACTIONS

Parallel to gold mining and gold panning, a flourishing gold trade has emerged. Since the gold boom[16] was new to this region, experienced buyers from neighbouring countries such as Burkina Faso, Niger and Togo initially carried out this trade. In recent years, however, important changes have occurred in this business. Trading in gold is still illegal, but more and more petty gold traders from the gold mining region itself are operating as intermediary traders. Today, the networks[17] are composed of peasants as well as former gold miners: specialised gold traders and small entrepreneurs with more differentiated economic strategies, as well as state employees engaging in the gold trade on a part-time basis. In terms of ethnic origins, the traders are mainly Anyanga, Baatombu, Zerma, Waama, Betammaribe and Moose.

Unlike many other African cases,[18] the gold trade in northern Benin is, in fact, not limited to one ethnic group, as been described, for example, for Hausa traders (Agier 1982; Adamu 1978; Shildkrout 1978; Grégoire 1992, 1993) or inhabitants of a particular locality. This social and ethnic heterogenisation of the gold trade is a result of the different interventions by the state and the specific nature of gold mining and gold trading in the region. The increasing appearance of *local* gold traders started in a situation where the central government forced many foreign traders and foreign gold miners out of the region. Local inhabitants—meanwhile acquainted with gold mining practices—appropriated much of the business from the foreigners.

[16] I do not employ the term 'gold rush' because it infers too much irrational social action and chaos. I would like to focus on the many more regulated social relations in that field that are of more interest to the ethnological discussion. This does not suggest that I deny the dramatic dimensions caused by the rapid changing of consumer practices, alcohol abuse, the monetisation of everyday life, the production of winners and losers and the use of violence in many gold-mining areas.

[17] The business is not organised in terms of groups as distinct and self-conscious actors with comprehensible interests, identities and boundaries, but works as a network that does, however, follow similar logics in all its dyadic components.

[18] This case sharply contrasts the classic study of Abner Cohen (1965) who points to an ethnic monopoly of Hausa cattle traders in Ibadan. See also the contributions in Grégoire and Labazée (1993).

These local petty traders were subsequently commissioned by some of the intermediary traders to operate as their agents, in order to minimise their own physical presence on the spot. The presence of many local petty traders fits well with the preference of gold miners to sell their gold immediately. For state agents the system is difficult to control due to the social complexity and greater embeddedness of these trading networks in other local economic and social fields (see below).

Most of the gold miners[19] prefer to sell their gold as soon as possible, regardless of the extracted amount and despite possible changes in gold prices. This is due to the general atmosphere of insecurity, created by the fear of state intervention, theft and the fluctuating gold prices, as well as a steady need for cash. In most cases, there are two or more gold trading agents operating in one spot, on the riverbanks or at the miners' resting places. Many of the locals also buy gold directly in their homes in their spare time.

The gold of the mountain veins is particularly impure. Thus, before the transaction, the gold dust must be cleaned of rough impurities.[20] The buyer and the seller do this together. Small magnets, small bowls (Waama: *ura súúfa*; Dendi: *gombowura*) and other tools at hand are used by the traders to clean the gold from other substances. Alluvial gold, in contrast, is much purer and sells at a higher price.

Finally, the amount being offered is weighed. Almost everywhere in the region, the petty traders use very simple small scales (Waama: *ura círo*; Ditammari: *tɛ byétɛ*). The best ones are made of brass. There are different types of scales[21] with varying potential of being manipulated.[22] The traders hold the scales between the thumb and the forefinger and balance the amount of gold with small weights. Depending on the amount of gold, coins or matchsticks may be used. In most cases traders use whole 1 CFA franc coins, as well as 1 CFA franc coins that have been cut in half or quarters. One franc corresponds to a little more than one gram. These coins have not been in circulation for long because of their weak purchasing power, but the traders in the region prefer to use them.

In almost all transactions the petty traders hand the scales with the balanced weights over to the sellers themselves in order to allow them to check the weighing done by the traders and thus to accept the deal. However, this does not prevent them from being cheated. The buyers,

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[19] Women, especially panners, also sell gold, but men working in the mountain lodes represent the majority of clients.

[20] According to my observations, gold is only rarely melted into ingots on the spot, it is instead handled as gold dust.

[21] The price for a set of scales varies, depending on their quality, from €8 to €25. Today, the famous Akan gold weights (Garrard 1980) are no longer used, not even in Ghana.

[22] Several well-informed people told me that it is possible to cheat here by manipulating the weights, i.e. the coins.

wearing fanny packs containing their coins and bundles of money, always pay immediately and in cash.[23]

I never heard of a gold seller rejecting a deal, of taking back his gold if there were doubts about the accuracy of the scales or of offering it to another petty trader. Instead the seller and dealer would simply conclude the transaction.[24] This corresponds to the general attitude of gold miners and their interest in making immediate profit by instantaneously selling their gold. In cases where they had doubts about the dealer's honesty, miners did try another trader the next time. Experienced gold miners, i.e. those who have been active for at least one season in the gold fields, are able to estimate roughly the potential profit from a certain amount of gold, given its impurities, prior to bargaining with a gold trader.

Changes in gold prices on the world market do affect gold traders, but rarely prevent individual gold miners from continuing their work, especially since mining represents an additional source of income during the dry season. There are many more factors which have an impact on the influx of miners to a certain site. Among these are the general knowledge about the deposits, overall access to the region, the season, access to the gold reefs or placers, general security issues, relations with the local inhabitants and relations with the police.

Every trader tries to enlarge his business in terms of clients by employing different strategies. Almost every gold trader is willing to give some credit or loan money to bind clients. The scale of these strategies ranges from small gifts, to adding money to the normal gold price, from small sums of 500 FCFA that are returned the next day, to larger sums over a longer period of time to individual miners and especially to team leaders to feed and support the workers. When the team members find gold, they are expected to sell the bulk of it to 'their' gold trader who is able to realise a high turnover. He will subtract the credit when the gold miner sells him his share of the yield. This is, of course, a risky business: the gold traders will not know for sure whether the team will be successful[25] or whether they are willing to pay back the loan at all. Most of the miners do so because they hope to rely on credits from gold traders in times of crisis. Very often, the gold trader gives a loan to the whole team or to large parts of it.

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[23] In former Zaire (Democratic Republic of Congo), miners in remote camps of the North Kivu region bought commodities, including motorcycles, with gold from itinerant traders (Vwakyanakazi 1992: 51; see also Indringi and Bamuhiga 1998).

[24] In 2001, prices for gold dust varied between €6 and €9 paid for the weight of a piece of 1 FCFA (corresponding approximately to 1.2 g). Changes in gold prices on the international gold market directly affect the Atakora region.

[25] Miners hardly ever invest all their own assets into the exploration of a new mine. They rather prefer risk-sharing arrangements with the money-lending traders. In cases where the mine proves to be unprofitable, the trader will not make much profit, but where the miners have success his benefit will be even higher.

Every gold trader is thus constantly seeking information about the performance and actual success of the team he is dealing with. Some traders pay informants so as to avoid treachery.

CATEGORIES AND ORIGINS OF GOLD TRADERS

Before describing the quality of relationships among gold traders, I will give a typology of gold traders, considering their financial resources and thus the amounts of gold they handle, as well as their working areas.[26] Petty and intermediary traders, operating close to the mining sites, may be divided into more independent traders (working mainly with their own capital) and buyers on commission (working mainly with other people's funds). Additionally there are more mobile intermediary and master traders, as well as international wholesale traders in the metropolitan areas, with or without trading offices.

The differences between these categories are mainly a matter of their available financial assets. Petty trading agents working on commission are most often given money in advance, as loans. Mobile intermediary traders may also act in part or entirely on commission—and deal with large amounts of gold. But a majority of petty traders in the mining

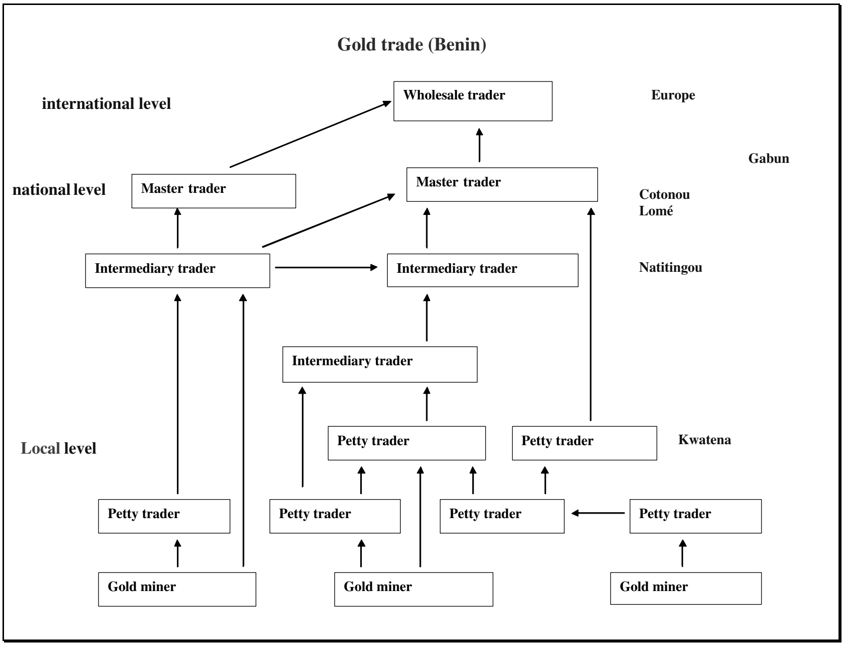

FIGURE 1 Gold trading network (simplified model)

[26] In a study of perceptions of economic success among the Komo and Yira in Congo-Zaire, Streiffeler (1993) proposes a different categorisation of local traders. He employs the possession of transport facilities, which determine the amount of handled goods and minimise additional costs, as a major criterion. In the case of gold traders, the possession of transport facilities is less relevant, due to the fact that even significant amounts of gold are relatively easy to carry. However, motorcycles do increase the general mobility of traders in the gold mining region itself.

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territory are buyers, or small agents, who resell the gold soon after exhausting their funds. Cutting across these economic categories, gold traders may also be classified according to their general social, ethnic and regional background and their other economic activities, which they combine with their income from the gold trade.

In the mining area in the Atakora mountains, we primarily find mobile petty traders[27] who operate directly in the gold fields. Gold traders constantly shuttle between different places, and test whether there are enough clients and offers in gold as well as basic security for their transactions. After keeping the gold for one or two weeks, they sell the bulk of the purchased gold to intermediary or wholesale traders.

The mobile traders usually operate in two ways: either they arrive in the mining area on special days when they can be sure of meeting their trading agents, or their agents may travel to the towns to meet them.

> Eric, an Otammari, is a petty gold trader. He lives in a village close to the gold mines. He is catechist of the Catholic mission, a farmer and a trader in vegetables. Eric bought his scales in Kara (Togo), but they were crafted in Niger. He has a motorbike, which keeps him mobile. Eric operates at three major sites: in Koussigou, in Kwatena and in Perma. Many gold miners and panners come to see him directly in his house. To buy gold, he goes regularly to the market of Kwatena and especially to the market in Perma, which takes place every three days. The latter is, as he stresses, very important to him because he is well known there. He generally operates on the fringes of the market place. He quickly notices anybody willing to sell gold, as he remarks. He specialises in alluvial gold because it is much purer. 'I usually pay 5,000 FCFA for 1 gram of river gold; 4,250 FCFA for 1 gram of mountain gold. For myself I earn 500 FCFA per gram. Two years ago prices were higher: 6,000 FCFA for 1 gram of river gold when buying, 6,500 for mountain gold when selling.' Eric started as a trading agent, but these days he works with his own capital. Because of his numerous occupations, he is not willing to go as far as Cotonou, preferring instead to sell his gold to mobile master traders from Natitingou, Togo and Niger. Eric works mainly with two master traders, but he prefers one called Bukari, a Zerma from Niger who lives in Natitingou and regularly travels to Cotonou and Lomé. It was Bukari who gave Eric his first loan. Bukari shows up from time to time in Kwatena, buying gold from his agents and others, and comes to see Eric on his way. Sometimes Eric visits him in Natitingou. Eric in turn lends money to his sister's son, Mati, who lives close to him in Koussigou, so as to help him to start his own business. He has used his income to improve his house, to buy clothing and to help his children get an apprenticeship. Others would waste everything, but, as he puts it, that is human nature.

Discussions with petty-trading agents revealed that the commissions which are granted to them by their credit-giving independent master traders correspond to the total amount of gold in the transaction and increase accordingly. The exact proportion fluctuates and is also

[27] In the Atakora region, the petty traders are called in French *acheteurs d'or* (Waama: *uratánto*). State officials often call them *trafiquants*, referring to the illegality of their business. The word *commerçant* mainly designates larger, well-established traders.

influenced by the general situation and prices on the national and international gold market.

The way in which the trading networks are organised reminds one partly of trading systems in rural markets, especially with regard to cereals and cattle markets, where numerous small trading agents, intermediary buyers and brokers act directly on behalf of larger traders.

In trading systems like this, accumulation is based on an unequal appropriation of benefits or profits by large traders in relation to the small trader or trading assistants they employ.

There are real opportunities to become a larger trader with more assets, rising to a better position within the trading networks. This depends not only on accumulation, and acquiring business knowledge, but also becoming more and more integrated into trading circles.

For the larger traders, the necessity of employing local traders as intermediaries derives from the illegality of the business. As local residents, these intermediary traders are less detectable as special trading agents in public places, and thus more difficult to control. They often run their business from their homes (see below).

> Nata is a young peasant of Bɛtammaribɛ origin living in a village not far from the gold fields. He works almost exclusively with intermediary traders in Natitingou. To this day, a trader who sells gold in Cotonou loans all his capital to him. Some years ago, he, along with Eric, was among the first Otammari of that village to start buying gold. 'It was the Togolese who showed me how to do this,' he explained.

The advantages local traders have as residents appear to be mitigated by the fact that they face greater suspicion once they become known to the state agents. The further branching of the business by involving numerous persons has the effect of reducing the amount of gold and the sums handled by individual traders. This may consequently reduce the risk of high losses when it comes to raids or confiscations by state agents.

The intermediary traders still remain in close contact with the larger traders because they often lack not only the amounts of capital necessary to work completely on their own, but also the knowledge concerning contact persons, changes in prices, and thus the right moment to sell.[28]

As I indicated earlier, the larger traders pay only short but regular visits to their agents, or they wait for them in the towns, like Natitingou or Djougou.

[28] See also Streiffeler (1993: 212) on the issue of becoming a trader in the Zairean (Congo) case. When asked about the obstacles to investing profits from gold digging into businesses, Streiffeler's interlocutors stressed the point that they first needed to be introduced or to be 'initiated' into the circles of traders in the towns so as to be sure of not being cheated. This generally refers to the importance of social ties and trust beyond simple economic considerations such as the necessity of accumulating initial business capital. In contrast, in the case of the northern Atakora, local petty traders did not need to be introduced to specific circles and learned by doing.

Recently, many young peasants and artisans of the region started trading in gold often in parallel to their agricultural activities, especially in the dry season.

> Mati, a peasant, is thirty-five years old. He has a wife and a six-month-old daughter. He buys gold on behalf of large traders, mostly in Koussigou, but also in Kwatena and in Perma. Very often, clients come to his home, or he arranges to meet them. Mati's mother's brother, Eric, initiated him into the business. He often sells gold to Eric, accepting lower prices. In this case, a part of the local gold trade is linked to kinship and ethnicity.

There are similar cases of kinship ties forming the basis for such relations in Perma, such as when the late Yacoubou Tora first entrusted his son Issifou with buying gold on his behalf.

> Issifou, 19, was a student at the Perma CEG [Collège d'enseignement général] and an apprentice butcher at the same time. His late father had been one of the local big men in the Zongo quarter. He was an immigrant from Kaduna, Nigeria, and came to work on construction sites in the fifties as a cook, and later became chief of the butchers' guild (Hausa: *sarkin fawa*). Issifou was born in Perma and speaks French, Ditammari, Baatombu and Dendi. He began working in petty trade by selling fresh meat to the *bonnes femmes* (food suppliers) from his father's business and became a part-time gold trader mainly during holidays a few years ago. It was his father who lent him the money and helped him to buy gold in Perma and throughout the whole region. Later, his father took the gold, giving him a commission, and sold it in turn to an itinerant trader from Togo.

These are the very few cases in which a branch of the gold trade was managed as a kin-based enterprise.

There are also state employees, civil servants, like the male nurse Mathieu, and even catechists involved in trading gold in their spare time. For many of the mobile traders, especially those from other regions, this generally represents an extension of their normal trading activities, which they adapt to the respective market situation and the benefits to be expected. Many of the gold traders are former artisan gold miners. In these cases, they have invested their profits as the basic capital needed to trade.

Most petty traders cannot be considered entrepreneurs in the narrower sense, either because their activities are confined to their small-scale gold trade, operating mostly as commission-takers, or because they practise this business as a side activity. Only a small proportion—large traders, or traders who act simultaneously as moneylenders and equipment providers, or traders engaged simultaneously in other business—have the diverse sources of income that allow them to reinvest capital in several parallel businesses.

The distinction between petty trader and entrepreneur is, however, fluid. While the first category implies purely economic assets and strategies, the latter refers to a cultural factor which can be called individual entrepreneurial spirit, composed not so much of an inherent inclination but of a set of experiences, strategies and trial-and-error behaviour. Basically, all kinds of people—peasants, women, youths or others—may have that 'spirit', which is not a matter of being a member of a distinct group, but of being experienced and adventurous enough to start off and have some initial success.[29]

There are also independent traders, mainly working with their own capital. Many of them do not sell their gold to intermediary traders in the mining region but to traders in the towns, even in Cotonou.[30] These independent 'illegal' gold traders generally face the problem of having to pay to travel to the centres of trade and lose time doing so.

Apparently, benefits from the gold trade vary considerably. Some of the independent, travelling gold traders told me that sometimes, after selling in Cotonou, the profits were less than their investments had been in buying the gold.[31] Mainly this was due to the impurity of the gold that they had to offer, especially from the mountains ores, before being smelted. Some inexperienced traders told me that they consciously or unconsciously paid more to their clients in order to build up a clientele and to gain their confidence. They are able to compensate partly for these losses, by engaging in side businesses such as the parallel trade with other commodities they purchase in the coastal regions and sell in the north. Apparently, the unavoidable costs of travelling are still outweighed by the range of personal benefits to be gained and are less significant than the losses caused by a lower commission when immediately reselling the gold to intermediary traders in the region itself.

Many of the independent gold traders, however, are also affected by their uncertainty about the actual gold price. Its fluctuations are often unknown to them prior to a deal in Cotonou or Lomé.[32] This is also the reason why independent traders tend to sell their gold to the intermediary traders; they want to avoid these risks. They want to be sure of making at least some profit even though potentially it would be higher in the cities.

The small independent traders who travel to Cotonou try to reduce their costs as much as they can. They use collective taxis (e.g. the nine-seat versions or the minibuses) and stay with relatives or friends in the towns for short periods of time. They stay in Cotonou (or another town) for a longer period only if further trading activities are planned,

[29] For recent studies of various types of African rural entrepreneurship see Eckert (1999).

[30] At the time of my investigation, there were only about fifty petty traders operating in the Atakora region.

[31] The issue of benefits from long-term gold trade, also in relation to other personal economic strategies, still needs to be explored in detail, with all the necessary sensitivity and methodological rigour.

[32] A gold trader in Tchantangou (interview, August 2001) said that 'you need some experience when dealing with the wholesale traders. You have to ask for the boss. If you don't talk directly to the boss, his assistants will cheat you!' He added: 'You should know about the way to fix the price.' One trader indicated the general price on a blackboard, others rarely did so.

for example if they want to purchase goods in bulk to sell them in the shops (*boutiques*) or on the market in the north.

> Kodjo is twenty-five years old, of Adja origin, from southern Benin. He has been operating as a gold trader for two years. For the time being he works with his own financial assets. He buys gold in the Kwatena–Tchantangou region, especially in Kwatena and resells it himself in Cotonou. Kodjo left school early. Initially, Kodjo was a gold miner when he came to the region in 1997. Travelling traders had told him about the gold mining activities there. After a year he managed to shift to the gold trade business. The work in the gold mines had become too hard for him. Kodjo started his activities with his savings and with loans from friends and relatives. From the very beginning he was able to operate as an independent trader, although handling small quantities. When he started trading he resold the gold to master traders after a certain time. He managed to pay back the borrowed money and now he is free of debt. Recently, he has been travelling to Cotonou himself to sell his gold directly to the wholesale traders. In doing so he hopes to realise more profit. He travels there once every fortnight, depending on the time it takes him to turn his working capital into gold. In Kwatena he lives in a rented compound and he is on good terms with his landlord, Boko. His wife, meanwhile, lives with him, being busy in gold processing work as a side activity. In Cotonou, Kodjo usually first goes to a small workshop (*fonderie*), near the big Dantokpa market, to smelt the gold and to purify it further. Then he calls on one of the master traders, in most cases the 'Belgian' [see below]. He stresses that his profit after selling in Cotonou varies and is difficult to calculate. Sometimes it happens that after subtracting his travel expenses he does not make any profit at all. This is apparently due to the differing degrees of purity of the gold. Kodjo affirms that he lacks the instruments to purify gold. Another factor is the changing gold price in Cotonou, which is communicated to the gold region with several days delay. Kodjo tries to reduce his travel expenses by using the cheapest version of collective taxis. Often he travels back to Kwatena immediately after finishing his transactions, sometimes he purchases some commodities to sell in the north. Only from time to time does he travel back to his home village. When travelling to Cotonou on 18 January, he was forced to walk all the way from Kwatena [about 12 km] early in the morning because he had already planned the trip but could not find a cheap taxi having used up his capital.

To minimise the costs of long-distance travel, etc., for a time some of the independent small-scale traders united informally. They charged one of the local gold traders with selling their collected gold in Cotonou or Lomé and with distributing the profit later according to their individual shares (minus travel expenses). This offered the additional advantage that the delegated trader might enjoy a better bargaining position when selling a larger amount (weight) of gold to a wholesale trader. On the other hand, the risk of theft is much greater. Those traders associated with this joint action told me that this strategy was chosen at a time when gold prices or the overall supply of gold in the mining region had decreased considerably.

There are still many traders from Burkina Faso and Niger working in the region. The majority of the traders from the Republic of Niger (mainly Zerma[33] and Hausa) told me that they had worked previously in trading activities of all kinds, but only some of them had dealt directly with gold. Even so, they knew the business. These traders migrated individually to Benin. Some of them have wives and children back home in Niger and return there on a regular basis. Their profit margins seem to be small in relation to their expenses, given life in a strange environment and higher costs in mining areas, and there are also the travelling expenses of going back home.

At first sight, it does not seem very reasonable for them to continue trading in gold, having to compete with numerous petty traders, but the majority of the foreign traders interviewed hinted that, for the time being, it was still much easier to engage in trade in the Atakora than in their home region, especially in the Republic of Niger. They told me that there were fewer controls on trading activities and travel in general in Benin. According to their accounts, it was relatively easy to travel across the country, with the exception of crossing the border, where passports are controlled and customs fees charged. When it comes to controls on the road, it is primarily drivers who are checked. Passengers are only superficially examined. Baggage is only screened at random (except when special security measures are in force, e.g. during election campaigns).

Foreigners from other African countries are not particularly noticeable among travellers. Moreover, bribery is said to be not as widespread as in Niger. For these reasons, foreign traders argue that some basic transaction costs were lower for them than in Niger, where controls are ubiquitous and more money is necessary to obtain licences of all kinds and for bribing state agents. Generally, foreign traders transport goods of all kinds on their way to and from their respective home regions. They do so to cover personal needs and above all for selling them in the markets. However, according to my estimates so far, the profits earned in this trade only cover approximately half of all travel expenses (including transit fees and bribes).

The number of petty and intermediary traders from other regions of the country has increased slightly in recent times. Some years ago, many of them were petty traders in other goods while others were gold miners.

Generally, it can be said that the majority of mobile traders handling larger amounts of money come from regions other than the immediate mining area, most of them come from the region along the route

[33] Some gold miners told me that, in general, they considered the 'Zerma' traders to be honest and distinguished them from 'those from Togo', who have a bad reputation. The Zerma are known to use better scales. These general stereotypes do not say a lot about the real relations and transactions and should of course not be overestimated, given the heterogeneity of traders around. I mention them here in order to indicate that the traders have to deal with these local generalised representations of esteem and trust related to a certain group. This, therefore, requires a kind of identity management.

Natitingou–Djougou (mostly Muslim, Dendi-speaking townsmen), from Niger and Burkina Faso[34] and the south-west of Benin.

All intermediary traders sell their gold to larger traders in one of the larger towns, mainly in Cotonou or Lomé. These traders often operate secretly, only some work from formal offices, not declaring their entire venture. Some of these wholesale traders are European (Belgian, French) or Lebanese businessmen. Others are rich Muslim traders with many employees.

The majority of the wholesalers smelt the gold and weigh the small ingots with electronic scales. They sell the gold to other traders[35] or directly in Europe in specialised trading offices, such as in Amsterdam, Antwerp, Frankfurt or London.[36] Thus, the gold trade is part of 'informal' transnational trading patterns (Amponsem 1994; MacGaffey 2001; MacGaffey and Bazenguissa-Ganga 2000).

RELATIONSHIPS AMONG PETTY TRADERS AND THEIR ECONOMIC STRATEGIES

Let us take a closer look at the internal relations among the various gold traders. The competition among them is mainly for clients. It centres on establishing stable relations with certain customers as well as 'catching' numerous passing gold sellers, migrants and locals who may be active only temporarily in the gold fields, such as women and children. An example of a successful local trader reveals this strategy:

> Jonas, an independent small-scale gold trader in Tchantangou, partly operates in his own house close to the central market square, or directly on the market. Jonas told me that he usually purchases gold of a weight of five to nineteen grams a day, sometimes more. He told me that from time to time during a transaction he adds more money to the price he initially offers a client. This is meant 'to encourage him', so that the next time, the miner will sell gold to him again, especially if the miner is a beginner in gold digging activities, as was the case in several transactions I witnessed.

By contrast, there is hardly any competition among the petty traders to gain the favour of the master traders. The latter prefer more stable, enduring personal contacts and usually deal with the same agents. They prefer expanding their business contacts by adding new traders and only change their habitual partners in cases of mistrust and after disputes.

This does not mean that we can find a form of individualisation among petty traders. They know each other quite well, despite their varying regional and ethnic backgrounds and their differing financial assets

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[34] Some of the Burkina traders work in Kwatena behind the houses in a more hidden place. Especially on market days there are more controls by state agents.

[35] Following the classic terminology (Cohen 1965; Hill 1996), master traders are different from brokers. In the case of the Benin gold trade, however, I hardly came across pure brokerage in the sense of agents only mediating between buyers and sellers.

[36] As jewellers tend to recycle gold, only an insignificant percentage of gold is sold to them.

mentioned above. There are unspoken obligations and expectations of ethical conduct among traders. Petty traders help each other with loans or small change. In many cases they operate close to each other in the market. After having made the decision to set up their stands on a particular day in a certain place, they lay out their scales and vessels on the ground. They inform each other of possible dangers, such as visits from gendarmes and thieves, of changes in gold prices and other uncertainties.

My investigations have revealed that some local petty traders, especially in Tchantangou, have started to stick together in order to strengthen the ties between those coming from the same village, across kinship and friendship lines. They appear to help each other (as mentioned in the case of the coordinated selling of gold in Cotonou).

One might assume that competition will increase whenever the overall amount of gold circulating in the region is reduced. The impact of future official purchases by the state, though not so important now, may also have to be taken into account.

The immigrant traders support each other in similar ways. Yet surprisingly, competition between local petty traders and immigrants has not led to any open conflicts. Competition for clients forces the petty traders in the mining areas to employ more and more strategies of specialisation. This is apparent in their selecting a certain location from which to operate. Being in the same place most of the time allows traders to become better known to potential clients, and may help in creating better relationships with those clients. Some of the local petty traders select places where others, especially migrant traders, are less present but where they know their potential clients. This appears to be the case in the rural markets of Perma and Sina-Issiré, where more local traders operate than in Kwatena and Tchantangou.

The markets of Tchantangou and Kwatena were only established when the gold boom began in 1993. They used to be much more important than they are now, but remain important meeting points, especially in the evenings. There are 'evening markets' (i.e. 'meetings') in each village.[37] Larger markets are held in turn in Perma, Natitingou, Chabi-Kouma, etc., following a three-day cycle.

The overall decline in the gold available on the local market has led many traders to adopt 'safety first' strategies: investing in other businesses or becoming more mobile so as to buy gold at various places.[38] As supplementary trading activity, the aforementioned trader Eric, for instance, deals in marijuana, which is highly appreciated by young miners and which he purchases at several markets in the region and sells in Kwatena. A more profitable way is to buy a motorised pump,

[37] The main site of gold exploitation is also called *grand marché*, stressing the polysemic notion of 'market'.

[38] The once successful trader Benoit for example turned back to his profession as an auxiliary teacher. The main factor leading to the decline of his business as a gold trader was the fact that he had not started working with trading agents when the amount of gold on offer became reduced and it became necessary to be present in various places.

which can be offered for rent to the mining teams. The daily rental of a high-quality motorised pump is about 5,000 FCFA, negotiable according to the actual hours of service. The average price of a new motorised pump is about 335,000 FCFA; with all necessary hoses it may cost up to 500,000 FCFA. Some miners work together with assistants charged with transporting, installing and supervising the performance of the devices. It is important to prevent the engines from being incorrectly tuned, and especially the plastic hoses should be placed carefully, in order to avoid damage. Other more wealthy traders start to invest in their own shafts or wells. In most cases, they have to employ assistant teamleaders if they intend to continue their gold trading activities, although this does not free them from regular visits to the excavation sites.

Having mentioned the presence of many immigrant traders, this invites the question of their advantages compared to the local traders.

The assets of locals in the gold trade are their language skills, a good knowledge of the region and of many of its people. This is even more so if they have been gold diggers themselves. They may also more easily avoid state control. On the other hand, they may pay a higher price if they lose their reputation, and must manage demands for concessions by kinsmen or friends (Evers and Schrader 1993). Foreigners may have an advantage in this respect. But in this rapidly changing context, local traders are dealing with clients from many other parts of the country, to whom they may have fewer obligations. There are, of course, a variety of durable direct personal relations between a gold trader and a gold digger. This is the case with Severin and Jonas in Tchantangou.

> They have been friends since childhood, and their friendship has now spread to other domains. Severin is *chef d'équipe* in gold digging work near Tchantangou and sells all his gold to Jonas. He also encourages his assistants to sell their gold to Jonas. For his part, Severin helps Jonas with small loans, since he engages in trade as well, and works as a photographer. Severin is also the coach of the local football team and Jonas helps as referee.

There are both advantages and disadvantages to trading with both kinsmen and strangers, depending on the degree of mutual confidence, status and ethics. For example, giving 'credits' to relatives may have different consequences from giving 'credits' to immigrants. Business contacts with relatives may lead to strains and moral dilemmas: there may be pressure from within the family to pay back borrowed money—by selling gold to an elder brother as a gold trader. Transactions with strangers, however, have the advantage of a greater anonymity when it comes to harassment from the authorities.

One important advantage of living permanently in one of the villages is the fact that many people, especially women, carry out processing work like milling and pounding as a sideline business in the household. Particularly gold panners return home to their villages and not to the mountain mining sites where several buyers usually gather. These are all potential clients of village-based petty traders.

According to my observations to date, confidence between gold diggers and the trader they sell to is a matter of experience and not the result of a general preference for local or immigrant traders.

THE ENLARGEMENT OF TRADING NETWORKS AND THEIR INCREASING HETEROGENEITY

I would like to return to the first part of my initial question to identify the sources of the diversity of the gold business, including the involvement of so many local traders, as a result of which master traders find themselves caught in a set of dilemmas. They worry about being cheated by their agents and fear that the loans they lend may be embezzled. Therefore, they generally prefer to trade with fewer trading agents or, at least, with local petty traders who work with their own capital. The latter, however, appear not to be numerous enough because peasants generally lack capital to trade and thus require start-up funding. But the need for large numbers of intermediaries is also due to the multilocality of the supply, and to the small amounts of gold which local miners usually offer at these various places (see below). Setting up a bigger shop on the ground is risky in terms of robberies, state controls, etc. Therefore, the master traders have to advance a certain amount of money and employ others as assistants in order to minimise their own risks.

As with trading networks in cereals (Saul 1987; Adanguidi 2001), we witness a sort of permanent 'rhizomisation', for example a splitting up into smaller units consisting of entrusted brokers and subagents. Both trading systems work without any formal contracts, and relate traders as commissioners, profiting from small shares, working on behalf of other traders, who are agents for bigger merchants. Both comprise risk-sharing arrangements between them and, as regards clients, involve incentives to bind them ('fidelisation', Adanguidi 2001).

At first glance, the gold trading network appears to be obscure, shifting and difficult to pursue in all its ramifications. In this web of reciprocities and flows of capital, we may, nevertheless, detect 'nodal points' (places with a high frequency of transactions and cash turn-over) and 'nodal mediators' (with a high multiplicity of business relations flexing loose relationships into a real network).

The different types of intermediary traders are not brokers in the classical sense of persons profiting from mediation alone, they are constituent parts of the trading networks. Creating more competitors, however, may be a side effect of encouraging others to trade. As mentioned before, the number of persons involved in petty trade is becoming relatively high in relation to the overall amount of gold offered for sale, and their composition is very heterogeneous in terms of ethnic and regional origins. The latter fact raises questions on how these heterogeneous circles of traders are organised, and by what means trust and mutual confidence are established. Cohesion is also maintained by bundles of mutual obligations between actors and joint efforts to circumvent state control.

Stable social relations, ties of affection and common basic ethical assumptions are generally elements which generate trust, stabilise social networks and guarantee economic stability, especially outside formally legal regulations.

At first glance, this does not seem to apply to the heterogeneous networks of illicit gold trading. First of all, many of the close relations between smaller and larger gold traders have been established as economic interdependencies. Those petty traders who chiefly work on behalf of larger traders as their trading agents, or from whom they received their start-up capital, must generally accept what is offered to them as commission. This applies especially in cases where they have not—or not fully—repaid their loans.

After having accumulated sufficient capital and after having paid off outstanding debts, they have more freedom—for example, to start their own business, to choose another intermediary trader as a counterpart, or to act as larger or intermediary traders 'employing' others themselves.

Some successful traders lend money to others, kinsmen or friends, to buy goods on their behalf, and thus gain better positions within the trading network. However, they often continue to sell their collected gold, including that of their newly hired agents, to the same intermediary traders as before. Only some of them sell their gold directly to the wholesale traders in Cotonou or Lomé.

The reasons for this preference of continuing to work with the same master traders may be their now established personal acquaintance, relationships which may lead to continuous mutual assistance, e.g. in the form of further credits or loans if the smaller trader wants to enlarge his business, or needs cash for side businesses, etc. This is the case, for instance, with relationships between some local traders in Kwatena and Koussigou and intermediary traders in Natitingou, which I had the opportunity to study.

These relationships also include friendship ties based on honesty, mutual esteem and gratitude. Beyond purely economic rationality, individuals sometimes also develop reciprocal relations maintained by small gifts but also by offers of food and lodging for the traveller (as was the case with Eric and Issifou, see above). This is true of lasting partnerships.

The social capital (Bourdieu 1983; Widmer and Mundt 1998) small petty traders and intermediary traders dispose of seems to be at least as important as financial capital, because we are dealing with the permanent re-creation of personal networks. It contributes, directly and indirectly, to assuring a continuous supply of certain quantities of gold, an important aspect that traders at all levels count upon in order to meet the demands from the trading centres in Cotonou or Lomé.

The flexibility of the system, given ethnic heterogeneity and the increasing multiplicity of trading sites and trading relationships, seems to make state control more difficult. Personal relations, which make private transactions in the domestic sphere possible, generally obstruct the way in which state agencies exercise observation and control, as these are often fixed on public spaces.

It is almost exclusively the petty traders at the mining fields who are visible to state officials, as they operate on the riverbanks or in the marketplace, or wait for clients by the side of the road and in passageways—especially when they are dependent on occasional customers.

Patrols and campaigns to control the gold trade mainly affect these people. This may prove my general hypothesis: possible uncertainties in terms of misunderstandings, possible gaps in the flow of information or lack and loss of trust that are created by the social and ethnic heterogenisation of trading networks, are apparently less important in comparison to the advantages to be gained by the, both conscious and unconscious, division of labour and the sharing of risk. The variety of actors makes it more difficult for state agents to intervene in the gold trade.

In our case, risk-sharing implies a trade-off between bigger traders and trading agents: the risk of being controlled by handing over many everyday transactions to petty traders in exchange for helping them to start their business with minimised personal and economic risks, because the loans may simply be paid without interest in the case of failure.

Not only do big traders want to avoid possible checks when showing up at the mining sites on rare occasions, but two other main aspects contribute to the fact that the gold trade is not completely monopolised, or that its intermediary structure does not shrink to a few powerful big traders, but continues to be operated by many smaller traders. First, there is the preference of gold miners to sell their earnings as soon as possible directly at the mining sites (see discussion above). Furthermore, one individual trader will hardly be able to meet the demands of many potential sellers at many different spots in the gold fields, including the various panning sites along the riverbanks. The fact that sometimes only relatively small amounts of gold can be collected in single transactions, in one day and in one place, especially in the rainy season, makes it unprofitable for entrepreneurs to be permanently present.

THE CREATION OF TRUST BETWEEN GOLD TRADERS AS A SOCIAL PROCESS

Understanding the necessity and advantages of the branching the business does, however, only partially answer the second part of the initial question about the conditions enabling the generation of trust (in the functioning of the network) and confidence (in a personal relationship to a trader) as major prerequisites of all business in gold trade. Generally, terms of trust (von Oppen 1993) are characterised by a set of expectations needed to reduce the complexity of everyday transactions and become more important the more 'illegal' the trade becomes. In case of quarrels between traders it is not likely that someone will appeal to government authorities, nor even village authorities.

In this case, trust is based on accumulation of personal experiences, trial-and-error methods, especially of wealthier gold traders when hiring new agents, and on moral pressure. According to my observations, there is a predominant pattern of action: larger and intermediary traders 'test' whether they may trust potential trading agents by looking at their performance and success, and thereafter they gradually increase their working capital.

First, they hand over small sums, primarily to keep potential losses from embezzlement as small as possible. This may also reveal the general capabilities of the petty trader in purchasing gold. It also reveals the overall quantity of gold the trading agent will be able to buy on a loan, taking into account the time in which the turnover is realised in relation to the current situation of the general gold supply, but also the degree of purity of the gold the trading agent collects. If the master trader is satisfied, he usually increases the loans and after a while the commission may also be increased in relation to the overall turnover.

This 'award system' is, of course, not the only factor in generating confidence. Generally, larger traders inquire about the personality and credibility of their potential trading partners in order to check the security of their investments.

Apparently, the general social reputation of the future trading agent plays a decisive role. Previous experiences in trade, which only a small portion of new traders have, also qualify the candidate in the eyes of the master trader. The great majority of petty traders with local origins have been former migrants. Together with their resulting language skills, they were obviously regarded by their master traders as more dynamic and experienced.

During my stay in the region, there were only two cases of which I became aware where a trading agent embezzled all of the trading capital with which he was entrusted and walked away. One of those cases was particularly notorious in the region, and it was not surprising that even the gold miners sided with the betrayed large trader in Tchantangou. The latter had of course no way of reclaiming his 'investment' in a formal juridical way and was only left with whatever moral pressure he could exert by damaging the cheater's reputation. Ideally, this moral pressure would cause a loss of esteem that would cost the notorious client any future business and might serve as a warning to those still in the business.[39]

Generally, the trading agent is interested in maintaining his reputation because he is not only eager to stay on good terms with his customary trading partners but with other traders in that region and the gold-selling miners as well. He has to meet the expectations of both groups of persons—his patrons and his clients.

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[39] This also applies the other way around, to dishonest master traders who may be disliked for making false promises, giving small commissions or misappropriating money from clients, etc. There is at least one such case of a trader from Chabi-Kouma, who is said to betray people very often ('*il fait le malin*'). According to my personal observation, this trader is also mistrusted because he seldom socialises with the local inhabitants or other petty traders. He is said to never stay in the village overnight, not only to save rent but also to remain more uncommitted.

Successful traders are expected to redistribute some of their profits to the community. They are also expected not to expand their business too fast and to invest in social relationships with their trading partners.[40] Thus, another aspect of generating confidence is to become accepted in the circle of the larger group of traders in the region and to participate in aspects of their everyday lives.

GOLD TRADE AND RECENT INTERVENTIONS BY THE CENTRAL STATE IN BENIN

The state tries from time to time to intervene more profoundly in gold mining and the gold trade in Benin. Policies often changed, from expelling all gold traders and miners, an ensuing period of connivance, to renewed harassment.

In March 2001, the small Anglo-American mining company ORACLE started exploration work at the Kwatena placer. This company is entitled to exploit parts of the riverbanks on the lower Perma and Sina-Issiré rivers. Gold miners are expected to work only on restricted alluvial deposits. According to a contract with the Benin Ministry of Mining, ORACLE is also empowered to buy gold on the spot, for a lower price than on the illegal market, to resell to the Mining Board. Subsequently, many small gold traders were again harassed, but continued business in a more clandestine way. Some few traders were licensed to buy gold on behalf of ORACLE but they would resell only a part of what they bought to the company.

The fate of the small gold traders is connected to the development of gold prices. They still offer better prices than the company, and are preferred by many individual gold miners although they are illegal. It can be predicted that their number may decrease due to stronger controls and the profitability of only larger operations with respect to the average turnover and thus business profits. Some gold traders have already left to find other mining sites in Burkina Faso, Togo and Ghana, some of them started to combine their gold trade with other small business, and some of them have become shaft holders. Given the

[40] A young gold trader from Tchantangou, who had become rich at the beginning of the gold boom, once needed help from other traders (e.g. money to reinvest) because his business had failed. But nobody was willing to help because he had not socialised enough with the other traders when he was wealthier. He had behaved 'big'. Wa Nkera and Schoepf (1991: 91) report similar sentiments in Zaire: 'you have to go slowly, slowly, to establish your reputation as a reliable fellow' (i.e. a rising trader should not proceed too fast when enlarging his business).

experiences in Burkina Faso[41] and other countries,[42] informal trading networks tend to persist even after the introduction of official structures, systems of control and even partial legalisation of the gold trade by the central state. It is highly probable that the number of actors involved in this business in northern Atakora will shrink.

SUMMARY

I have demonstrated the vivacity of 'informal' arrangements structuring economic life in West Africa generally today, and its transnational gold-trading networks particularly. The very heterogeneous social and ethnic basis of these networks is mainly due to risk-sharing arrangements between local and itinerant master traders. Confidence between all trading partners is generated by personal experiences and the development of common norms of behaviour.

Further research will be necessary to explore possible changes under the impact of greater state influence. This should then be related to the competition with other gold-trading networks, above all in Burkina Faso. A main question is whether a common corporate identity will emerge that will then generate specific markers of distinction and inclusion (Schlee and Werner 1996). Identity processes may contribute to stabilising the networks of gold traders—analogous to other systems of illicit trade—and generate particular rules of exchange, ethical norms and religious standards aimed at helping to maintain an economy of trust. Finally, a more systematic comparison with other trading systems in Africa may reveal particularities as well as commonalities with the Atakora case.

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[41] In Burkina Faso, the central state agency CBMP (Comptoir Burkinabé des Métaux Précieux) collects all gold for fixed, officially announced prices that are far below those in Benin. The CBMP runs local offices close to state or privately owned mining sites. As they cannot meet all sellers, there are many licensed small traders who in theory are monitored by the state and should sell their collected gold to one of these offices. About half of the gold is, however, traded illegally, despite policing (*police économique*). The government is, however, able to create a significant revenue out of the gold export, representing the third most important element in the national economy (Zagré 1994). In Ghana, a similar gold-trading system was established by the Minerals Commission. In 2002, state control on gold trade was again tightened. A few traders were given licences and electronic scales to operate on behalf of major companies, whereas others were severely harassed.

[42] In Zaire, gold mining was liberalised in 1983, but at the same time official purchase counters were set up. People continued to circumvent them because the official price, announced every day on the radio, was very low. Clandestine buyers used to smuggle huge amounts of gold abroad, bribing police officers (Vwakyanakazi 1991: 62 f.).

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ABSTRACT

The paper provides insights into an illicit trading system and explores the logics that contribute to its proliferation. It joins the literature on informal trading networks and revises conventional wisdom about what is necessary to sustain them. Gold traders have established intricate webs of relations based on personal dyadic affiliations. These extended networks are very heterogeneous, involving a multitude of actors, spanning regional, ethnic and social categories. Unlike many other examples in the anthropological literature, the gold trade is not a business carried out by members of a single ethnic group. Yet, explanation is required as to why, despite this heterogeneity, confidence between all actors is created, particularly in this case where there is no legal recourse when informal contracts are broken. I argue that a patron–client system of risk-sharing at

various economic levels is the basis both for economic rationales and cohesion among all actors.

RÉSUMÉ

Cet article apporte un éclairage sur un système de commerce illicite et étudie la logique qui contribue à sa prolifération. Il participe à la littérature sur les réseaux commerciaux informels et révise l'opinion conventionnelle sur ce qui est nécessaire à leur maintien. Les marchands d'or ont mis en place des écheveaux complexes de relations basés sur des liens dyadiques personnels. Ces réseaux étendus sont très hétérogènes, faisant intervenir une multitude d'acteurs de toutes catégories régionales, ethniques et sociales. Contrairement à de nombreux autres exemples cités dans la littérature anthropologique, le commerce de l'or n'est pas une activité menée par les membres d'un seul groupe ethnique. Il reste à expliquer pourquoi, malgré cette hétérogénéité, il se crée une confiance entre l'ensemble des acteurs, notamment dans le cas présent où il n'existe aucun recours juridique en cas de rupture de contrat informel. L'article soutient qu'un système fournisseur-client de partage de risques à divers niveaux économiques constitue la base de la logique économique et de la cohésion entre l'ensemble des acteurs.